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BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

Audit Of The Senate Building Beauty Shop, For The Fiscal Year Ended February 29, 1980



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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-200289

To the President of the Senate and the
Speaker of the House of Representatives

We audited the accounts of the Senate Building Beauty Shop for the fiscal year ended February 29, 1980, pursuant to section 451 of the Legislative Reorganization Act of 1970 (40 U.S.C. 193m-1).

GENERAL COMMENTS

The Senate Building Beauty Shop, a partnership established in March 1973 by Mario and Liria Vouzikas, operates under the jurisdiction of the Sergeant at Arms of the Senate. The Beauty Shop provides a convenient source for Senate employees to obtain beauty services--hair-dressing and manicuring--and various personal service products--cosmetics, rinses, conditioners, dyes, combs, brushes, and hosiery.

RESULTS OF OPERATIONS

The Beauty Shop realized net income of \$13,960.99 for the fiscal year ended February 29, 1980. This income was divided between the two partners.

SCOPE OF AUDIT

We prepared the accompanying statement of financial condition as of February 29, 1980, and statements of income and expense, changes in partners' capital accounts, and changes in financial position for the year then ended from the Beauty Shop's accounting records, which except for depreciation and accrued taxes, were maintained on a cash basis. These statements do not include the costs of certain benefits and services--such as space, utilities, and ordinary building repairs and maintenance--that are furnished to the Beauty Shop without charge.

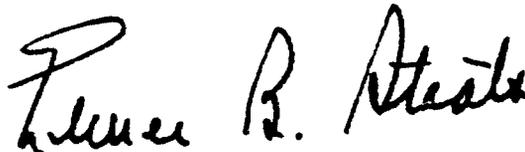
We made our audit in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and financial transactions and such other auditing procedures as we considered necessary.

OPINION ON FINANCIAL STATEMENTS

In our opinion, the accompanying financial statements (schs. 1, 2, 3, and 4), prepared in accordance with the financial arrangements described above, present fairly the financial position of the Senate Building Beauty Shop at February 29, 1980, and the results of its operations for the fiscal year then ended.

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The Legislative Reorganization Act of 1970 requires that the results of our audit be reported to the Congress. Accordingly, copies of this report are being furnished to cognizant congressional committees. A copy of this report is being sent to the Sergeant at Arms of the Senate, and copies will be available to Members and the public.



Comptroller General
of the United States

SENATE BUILDING BEAUTY SHOP
STATEMENT OF FINANCIAL CONDITION
FEBRUARY 28, 1980 (note a)

ASSETS

CURRENT ASSETS:			
Cash		\$5,582.57	
Employees' loans receivable		265.66	
Inventory (note b)		<u>1,247.38</u>	
Total current assets			\$7,095.61
FIXED ASSETS: (note c)			
Furniture, fixtures and equipment	\$16,695.55		
Less: accumulated depreciation	<u>11,545.29</u>		
		5,150.26	
Improvements	5,345.90		
Less: accumulated amortization	<u>3,011.11</u>		
		<u>2,334.79</u>	
Total fixed assets			<u>7,485.05</u>
TOTAL ASSETS			<u>\$14,580.66</u>

LIABILITIES AND PARTNERS' CAPITAL

CURRENT LIABILITIES:			
D.C. withholding taxes payable		\$ 176.70	
D.C. sales taxes payable		138.73	
Accrued Federal and D.C. unemployment taxes payable		<u>246.04</u>	
Total liabilities			\$ 561.47
PARTNERS' CAPITAL: (See sch. 3)			
Mario Vouzikas		7,009.61	
Liria Vouzikas		<u>7,009.58</u>	
Total partners' capital			<u>14,019.19</u>
TOTAL LIABILITIES AND PARTNERS' CAPITAL			<u>\$14,580.66</u>

Our opinion on this statement appears on page 2 of the letter.

The accompanying notes on page 5 are an integral part of this statement.

SENATE BUILDING BEAUTY SHOPSTATEMENT OF INCOME AND EXPENSEFISCAL YEAR ENDED FEBRUARY 29, 1980 (note a)

INCOME:

Beauty services and retail sales	\$123,039.75
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OPERATING EXPENSES:

Salaries	\$74,222.08
Beauty supplies and purchases	19,400.00
Payroll taxes	4,996.49
Insurance	2,341.99
Depreciation and amortization	1,913.28
Accounting and legal fees	1,475.00
Office supplies	458.82
Entertainment	503.78
Shop supplies	1,310.95
Other taxes	1,144.46
Dues and subscriptions	250.39
Advertising	212.59
Postage	26.52
Donations	434.50
Bank charges	315.66
Maintenance	<u>72.25</u>

Total operating expenses	<u>109,078.76</u>
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NET INCOME (note d)

<u>\$ 13,960.99</u>

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SENATE BUILDING BEAUTY SHOP
CHANGES IN PARTNERS' CAPITAL ACCOUNTS
FISCAL YEAR ENDED FEBRUARY 29, 1980 (note a)

	<u>Mario</u> <u>Vouzikas</u>	<u>Liria</u> <u>Vouzikas</u>	<u>Total</u>
Balance, March 1, 1979	\$9,450.37	\$9,450.41	\$18,900.78
Partners' drawings	<u>9,421.25</u>	<u>9,421.33</u>	<u>18,842.58</u>
	29.12	29.08	58.20
Distribution of net income	<u>6,980.49</u>	<u>6,980.50</u>	<u>13,960.99</u>
Balance, February 29, 1980	<u>\$7,009.61</u>	<u>\$7,009.58</u>	<u>\$14,019.19</u>

Our opinion on this statement appears on page 2 of the letter.

The accompanying notes on page 5 are an integral part of this statement.

SENATE BUILDING BEAUTY SHOP
STATEMENT OF CHANGES IN
FINANCIAL POSITION
FISCAL YEAR ENDED FEBRUARY 29, 1980

FUNDS PROVIDED:	
Receipts	\$123,039.75
Decrease in working capital	<u>3,268.31</u>
Total funds provided	<u>\$126,308.06</u>
FUNDS APPLIED:	
Operating expenses (excluding depreciation and other items not requiring an outlay of funds)	\$107,165.48
Purchase of equipment	300.00
Partners' drawings	<u>18,842.58</u>
Total funds applied	<u>\$126,308.06</u>

Analysis of Changes in Working Capital

	<u>Increase or (decrease)</u>
Cash	\$ (3,614.44)
Employees' loans receivable	(304.29)
Inventory	348.36
Salary payable	99.29
D.C. withholding taxes payable	20.06
D.C. sales taxes payable	21.23
Accrued Federal and D.C. unemployment taxes payable	<u>161.48</u>
Net decrease in working capital	\$ <u>(3,268.31)</u>

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The accompanying notes on page 5 are an integral part of this statement.

SENATE BUILDING BEAUTY SHOPNOTES TO FINANCIAL STATEMENTSFISCAL YEAR ENDED FEBRUARY 29, 1980

a/Accounting records, except for depreciation and accrued taxes, are maintained on a cash basis.

b/Inventory is stated on the statement of financial condition at cost.

c/Furniture, fixtures and equipment are depreciated over a 10-year life using the straight line method.

Improvements are amortized over a 10-year life using the straight line method.

d/Net income or loss is divided equally between the partners.

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